

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – June 18, 2007

Attendance:

| Member | Present |
|------------------|----------------|
| H. Beckler | Yes |
| J. Bullock | Yes |
| L. Davis Burnham | Yes |
| R. Byrd | Yes |
| N. Cook | No |
| R. Cordrey | Yes |
| J. Davis | No |
| R. Davis | Yes |
| R. Derrickson | Yes |
| J. DiPinto | No |
| F. Dixon | Yes |
| B. Fasy | No |
| R. Gilligan | No |
| R. Glen | Yes |
| J. Horty | Yes |

| Member | Present |
|--------------------|----------------|
| D. Hudson | No |
| R. Larson | No |
| K. Lewis | Yes |
| D. Link | Yes |
| A. Lubin | No |
| J. Markell | Yes |
| J. McKinney Cherry | Yes |
| C. Morgan | Yes |
| E. Ratledge | Yes |
| G. Simpson | Yes |
| T. Shopa | Yes |
| H. Smith-Windsor | Yes |
| D. Swayze | Yes |
| C. Wicks | Yes |

Members in Attendance: 21
Members Absent: 8

Others Present: P. Carter, M. Casey, T. Cook, J. Craig, D. Dilman, R. Geisenberger, R. Goldsmith, D. Gregor, S. Kubico, B. Maxwell, B. Motyl, B. Scoglietti, A. Shepard-Visalli and members of the press.

Opening Business: Mr. Byrd called the meeting to order at 3:05 p.m.

The minutes from the May meeting were approved as submitted.

Expenditure Subcommittee:

Ms. Davis Burnham presented the Expenditure Subcommittee's report. She reported that Grant estimate had been decreased by \$20.0 million. She noted that it is difficult to estimate the timing on some multi-year Grants. The decrease means that the amount will be spent in subsequent years. She also noted that the estimate for Medicaid expenditures was reduced by \$3.3 million.

A motion was made, seconded and approved to accept \$3,421.5 million as the FY2007 expenditure estimate. This is a decrease of \$21.8 million from May's estimate. (See Tables 1a and 1b.)

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report. He noted that the adjusted growth rates for the current year and subsequent 2 years broadly follows the economic outlook. Next year is much like the current year followed by slightly higher growth in FY2009. He summarized the current forecast as mostly about making end of the year tracking changes. Mr. Lewis, also noted, that today's forecast for FY2007 is within \$2.4 million of the forecast approved one year ago.

Economic Outlook

Mr. Craig noted that the Global Insight forecast for the U.S. economy had changed little since the May meeting. The first quarter's GDP growth of 0.6% is expected to be the trough for economic growth in this cycle. Growth is expected to improve going into next year, though the drag imposed by the housing sector will delay a return to trend growth until FY2009.

Mr. Dixon concurred with the Global Insight forecast.

General Fund Revenues - Fiscal Year 2007:

The Revenue Subcommittee recommended the following updates to May's estimates:

| Revenue Category | May-07 | Jun-07 | Change |
|------------------------------|---------|---------|--------|
| Abandoned Property | 360.0 | 364.0 | 4.0 |
| Corporation Income Tax | 188.0 | 184.0 | (4.0) |
| Franchise Tax | 534.3 | 538.0 | 3.7 |
| PIT Refunds | (167.5) | (164.0) | 3.5 |
| Bank Franchise Tax | 172.5 | 175.1 | 2.6 |
| Lottery | 258.1 | 256.7 | (1.4) |
| Dividends and Interest | 24.0 | 25.2 | 1.2 |
| Other Revenues | 98.9 | 100.1 | 1.2 |
| Other Refunds | (18.9) | (20.0) | (1.1) |
| Franchise Tax Refunds | (11.0) | (10.0) | 1.0 |
| Limited Partnerships & LLC's | 90.5 | 91.4 | 0.9 |
| CIT Refunds | (50.0) | (50.7) | (0.7) |
| Personal Income Tax | 1,174.0 | 1,173.5 | (0.5) |
| Cigarette Taxes | 87.0 | 86.5 | (0.5) |

For a complete listing of FY 2007 estimates, see Table 2.

Discussion of FY 2007 Estimates:

Personal Income Tax: Mr. Lewis noted that the net increase was primarily due to the refund estimate being reduced.

Corporate Franchise Tax: Mr. Lewis reported that the increase reflected a tracking change and that billing problems discussed earlier in the year have been resolved.

Corporate Income Tax: Mr. Lewis stated that tracking changes accounted for the \$4.7 million decrease in the net estimate.

Lottery: Mr. Lewis reported that the decrease was due to tracking and did not reflect any fundamental concern about the estimate.

Abandoned Property: Mr. Lewis said that tracking continued to be strong.

Updates in other categories were attributed to tracking changes.

FY2007 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,274.3 million as the revenue estimate for FY2007.

The estimate represents an increase of \$9.9 million from DEFAC's May's estimate. Mr. Lewis noted that the nominal growth rate is 3.3%. Mr. Lewis added that the adjusted growth rate is 4.0%.

General Fund Revenues - Fiscal Year 2008:

Mr. Lewis reported that the Subcommittee recommended the following updates to May's estimates:

| Revenue Category | May-07 | Jun-07 | Change |
|------------------------------|---------|---------|--------|
| Limited Partnerships & LLC's | 101.4 | 107.0 | 5.6 |
| Corporation Income Tax | 194.9 | 190.8 | (4.1) |
| Abandoned Property | 365.0 | 369.0 | 4.0 |
| Franchise Tax | 550.3 | 554.1 | 3.8 |
| PIT Refunds | (175.9) | (172.3) | 3.6 |
| Lottery | 264.2 | 262.8 | (1.4) |
| Other Refunds | (22.9) | (21.6) | 1.3 |
| Dividends and Interest | 25.5 | 26.7 | 1.2 |
| Franchise Tax Refunds | (11.0) | (12.0) | (1.0) |
| Personal Income Tax | 1,228.0 | 1,227.5 | (0.5) |
| Cigarette Taxes | 88.9 | 88.4 | (0.5) |

For a complete listing of FY 2008 estimates, see Table 2.

Discussion of FY2008 Estimates:

Personal Income Tax: Mr. Lewis stated that the net increase reflected the changes made in FY2007.

Corporate Franchise Tax: Mr. Lewis noted that \$1.0 million in refunds was moved from FY2007 to FY2008.

Limited Partnerships & LLC's: Mr. Lewis stated that reflecting the continuing strong performance in this category, the growth rate was increased from 12.0% to 17.1%.

Mr. Lewis reported that other changes reflected carrying forward the tracking changes made in FY2007.

FY 2008 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,365.4 million as the revenue estimate for FY2008.

The estimate represents an increase of \$12.0 million from the May estimate. Mr. Lewis noted that the nominal growth rate is 2.8%. He added that the adjusted growth rate is 4.0%.

Mr. Lewis presented the estimates for FY2009. He noted that this reflected the changes made to the previous years' estimates. The adjusted growth rate is 4.25%.

Balance and Appropriations Worksheet: Mr. Gregor presented the balance and appropriations worksheet. He explained that the combination of added reversions in the expenditure forecast and the up tick in revenues produced a FY2008 98% appropriations limit that was \$26.4 million higher than the amount DEFAC approved in May. It was \$17.1 million higher than the December 2006 estimate, the amount upon which the Governor's recommended budget was based. The result is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast. There were no changes made from the May estimate.

FY2007 Estimates:

A motion was made, seconded, and approved to accept \$391.9 million as the FY2007 revenue estimate. This represents no change from the May estimate.

FY2008 Estimates:

A motion was made, seconded, and approved to accept \$392.9 million as the FY2008 revenue estimate. This represents no change from the May estimate. (See Table 4.)

TTF -- Expenditures: Mr. Motyl presented the FY2007 TTF expenditure report.

The following changes were made from the May estimate.

FY2007 Estimates:

- **Operations Expenditures** were decreased from \$353.5 million to \$351.3 million.
- **Federal Capital Expenditures** were increased from \$105.3 million to \$108.9 million.

A motion was made, seconded, and approved to accept a FY2007 Transportation Trust Fund expenditure estimate of \$635.4 million. (See Table 5.) This represents an increase of \$1.4 million from the May estimate.

FY2008 Debt Limit:

Mr. Gregor presented the FY2008 Debt Limit. A motion was made, seconded and approved to accept \$168.3 million as the debt limit.

Other Business:

Mr. Byrd announced the next two scheduled DEFAC meeting dates:

- September 17, 2007
- December 17, 2007

Mr. Byrd wished everyone a great summer. There being no further business, Mr. Byrd adjourned the meeting at 3:35 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2007 (\$ in millions)**June, 2007**

| | FY2004 | FY2005 | FY2006 | May FY2007 | June FY2007 | \$ change June vs May | FY2007 YTD (11 mo actual) | \$ chg FY07 vs FY06 | % chg FY07 vs FY06 |
|---|---------------|---------------|---------------|--------------------|--------------------|-----------------------------|------------------------------|---------------------------|--------------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Forecast</u> | <u>Forecast</u> | | | <u>FY06</u> | <u>FY06</u> |
| Salaries | 971.6 | 1,023.1 | 1,108.3 | 1,167.8 | 1,169.5 | 1.7 | 1,080.8 | 61.2 | 5.5% |
| Fringe Benefits | 233.3 | 263.2 | 298.4 | 324.1 | 324.5 | 0.4 | 296.6 | 26.1 | 8.7% |
| Pension | 127.8 | 147.1 | 180.7 | 201.6 | 201.3 | (0.3) | 187.3 | 20.6 | 11.4% |
| Debt Service | 134.3 | 153.5 | 132.5 | 131.2 | 131.2 | 0.0 | 131.2 | (1.3) | -1.0% |
| Grants | 224.2 | 294.1 | 403.1 | 395.0 | 375.0 | (20.0) | 349.2 | (28.1) | -7.0% |
| Medicaid | 327.2 | 339.1 | 381.4 | 449.2 | 445.9 | (3.3) | 407.4 | 64.5 | 16.9% |
| Public Assistance Programs | 62.8 | 83.6 | 91.7 | 105.7 | 106.9 | 1.2 | 85.9 | 15.2 | 16.6% |
| Professional Services & Travel | 143.7 | 161.3 | 181.0 | 223.0 | 222.8 | (0.2) | 200.5 | 41.8 | 23.1% |
| Contractual Services | 223.9 | 228.9 | 252.2 | 286.0 | 286.6 | 0.6 | 264.1 | 34.4 | 13.6% |
| Supplies & Materials | 62.1 | 66.5 | 73.6 | 73.4 | 72.3 | (1.1) | 65.9 | (1.3) | -1.8% |
| Capital Outlay | <u>42.9</u> | <u>61.9</u> | <u>77.6</u> | <u>86.3</u> | <u>85.5</u> | <u>(0.8)</u> | <u>78.2</u> | <u>7.9</u> | <u>10.2%</u> |
| FY2007 Budgetary Expenditures | 2,553.8 | 2,822.3 | 3,180.5 | 3,443.3 | 3,421.5 | (21.8) | 3,147.1 | 241.0 | 7.6% |

Comments:

Grants: Top 3 total \$296.6 and are: Univ of Delaware \$124.1; Schools (K-12) \$112.5; Transfer to TTF \$60.

Remaining funds spend over multiple years; the \$20.0 decrease reflects what will spend in FY08 and beyond.

Medicaid: Dollars continue because of delays by providers in enrolling in NPI: National Provider ID program.

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2007 (\$ in millions)**June, 2007**

| | FY2004 | FY2005 | FY2006 | | | | | | FY2007 |
|--|----------------|----------------|----------------|-----------------|--------------|--------------|--------------|--------------|----------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | | | | | | <u>Appropriation</u> |
| Budget Act | 2,445.1 | 2,600.4 | 2,836.0 | | | | | | 3,101.9 |
| Cash to Bond Bill | 142.0 | 235.0 | 281.6 | | | | | | 243.3 |
| Grant-in-Aid | 38.4 | 40.0 | 42.4 | | | | | | 50.0 |
| Continuing & Encumbered (from prior years) | 173.3 | 240.1 | 327.8 | | | | | | 342.5 |
| Supplementals | 24.9 | 50.0 | 48.0 | | | | | | |
| Fiscal Year Spending Authority | 2,823.7 | 3,165.5 | 3,535.8 | | | | | | 3,737.7 |
| LESS: | | | | | | | | | |
| | | | | <i>December</i> | <i>March</i> | <i>April</i> | <i>May</i> | <i>June</i> | |
| Reversions to the General Fund | 29.8 | 15.4 | 12.8 | 10.0 | 10.0 | 10.0 | 10.0 | 15.0 | |
| Encumbered to next fiscal year | 29.1 | 32.8 | 32.2 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | |
| Continuing to next fiscal year | | | | | | | | | |
| Operating Budget | | | | 126.3 | 114.8 | 93.2 | 101.4 | 118.4 | |
| Bond Bill | | | | <u>132.3</u> | <u>130.0</u> | <u>141.0</u> | <u>153.0</u> | <u>152.8</u> | |
| Total Continuing | 211.0 | 295.0 | 310.3 | 258.6 | 244.8 | 234.2 | 254.4 | 271.2 | |
| Subtotal | 269.9 | 343.2 | 355.3 | 298.6 | 284.8 | 274.2 | 294.4 | 316.2 | (316.2) |
| Fiscal Year Budgetary Expenditures | 2,553.8 | 2,822.3 | 3,180.5 | | | | | | 3,421.5 |

Comments:

Reversion increase is from Medicaid. Growth rate was budgeted for 24%; actual increase from GF is 17%.

Details of supplemental appropriations:

2004: \$22.3 for salaries; \$2.6 for Veteran's home

2005: \$10.0 each for class instruction, post retirement, and federal contingency; \$20.0 for market pressure

2006: \$6.5 for county seats; \$5.0 energy for schools; \$8.0 energy efficiency program; \$2.0 DE energy assistance program; \$20.0 Christina School District; \$6.5 class instruction, housing & influenza

DEFAC Worksheet

| June-07 DEFAC Meeting | | FY 2006 A Actual Collections | FY 2007 | | | | | FY 2008 | | | | |
|----------------------------------|---|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|---------------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|---------------------------------------|
| | Revenue Category | | B DEFAC May-07 | C % B over A | D DEFAC Jun-07 | E % D over A | F \$ Increase D over B | G DEFAC May-07 | H % G over B | I DEFAC Jun-07 | J % I over D | K \$ Increase I over G |
| 1 | Personal Income Tax | 1,163.3 | 1,174.0 | 0.9% | 1,173.5 | 0.9% | (0.5) | 1,228.0 | 4.6% | 1,227.5 | 4.6% | (0.5) |
| | Less: Refunds | <u>(147.9)</u> | <u>(167.5)</u> | 13.3% | <u>(164.0)</u> | 10.9% | <u>3.5</u> | <u>(175.9)</u> | 5.0% | <u>(172.3)</u> | 5.1% | <u>3.6</u> |
| | PIT Less Refunds | 1,015.4 | 1,006.5 | -0.9% | 1,009.5 | -0.6% | 3.0 | 1,052.1 | 4.5% | 1,055.2 | 4.5% | 3.1 |
| 2 | Franchise Tax | 526.4 | 534.3 | 1.5% | 538.0 | 2.2% | 3.7 | 550.3 | 3.0% | 554.1 | 3.0% | 3.8 |
| | Less: Refunds | <u>(14.1)</u> | <u>(11.0)</u> | -22.1% | <u>(10.0)</u> | -29.1% | <u>1.0</u> | <u>(11.0)</u> | 0.0% | <u>(12.0)</u> | 20.0% | <u>(1.0)</u> |
| | Franchise Tax Less Refunds | 512.2 | 523.3 | 2.2% | 528.0 | 3.1% | 4.7 | 539.3 | 3.1% | 542.1 | 2.7% | 2.8 |
| 3 | Business Entity Fees | 61.8 | 65.5 | 6.0% | 65.5 | 6.0% | 0.0 | 66.8 | 2.0% | 66.8 | 2.0% | 0.0 |
| 4 | Limited Partnerships & LLC's | 76.5 | 90.5 | 18.3% | 91.4 | 19.5% | 0.9 | 101.4 | 12.0% | 107.0 | 17.1% | 5.6 |
| 4 | Uniform Commercial Code | 14.7 | 13.1 | -10.6% | 13.1 | -10.6% | 0.0 | 13.2 | 0.8% | 13.2 | 0.8% | 0.0 |
| 5 | Corporation Income Tax | 182.7 | 188.0 | 2.9% | 184.0 | 0.7% | (4.0) | 194.9 | 3.7% | 190.8 | 3.7% | (4.1) |
| | Less: Refunds | <u>(20.2)</u> | <u>(50.0)</u> | 148.0% | <u>(50.7)</u> | 151.4% | <u>(0.7)</u> | <u>(35.0)</u> | -30.0% | <u>(35.0)</u> | -31.0% | <u>0.0</u> |
| | CIT Less Refunds | 162.6 | 138.0 | -15.1% | 133.3 | -18.0% | (4.7) | 159.9 | 15.9% | 155.8 | 16.9% | (4.1) |
| 6 | Bank Franchise Tax | 132.7 | 172.5 | 30.0% | 175.1 | 31.9% | 2.6 | 154.8 | -10.3% | 154.8 | -11.6% | 0.0 |
| 7 | Gross Receipts Tax | 179.3 | 160.5 | -10.5% | 160.5 | -10.5% | 0.0 | 170.0 | 5.9% | 170.0 | 5.9% | 0.0 |
| 8 | Lottery | 248.8 | 258.1 | 3.7% | 256.7 | 3.2% | (1.4) | 264.2 | 2.4% | 262.8 | 2.4% | (1.4) |
| 9 | Abandoned Property | 325.1 | 360.0 | 10.7% | 364.0 | 12.0% | 4.0 | 365.0 | 1.4% | 369.0 | 1.4% | 4.0 |
| 10 | Hospital Board and Treatment | 59.9 | 63.7 | 6.3% | 63.7 | 6.3% | 0.0 | 71.0 | 11.5% | 71.0 | 11.5% | 0.0 |
| 11 | Dividends and Interest | 13.5 | 24.0 | 77.8% | 25.2 | 86.7% | 1.2 | 25.5 | 6.3% | 26.7 | 6.0% | 1.2 |
| 12 | Realty Transfer Tax | 116.9 | 91.5 | -21.7% | 91.5 | -21.7% | 0.0 | 89.5 | -2.2% | 89.5 | -2.2% | 0.0 |
| 13 | Estate Tax | 4.9 | 0.3 | -93.9% | 0.3 | -93.9% | 0.0 | 0.0 | -100.0% | 0.0 | -100.0% | 0.0 |
| 14 | Insurance Taxes | 66.8 | 83.7 | 25.3% | 83.7 | 25.3% | 0.0 | 77.1 | -7.9% | 77.1 | -7.9% | 0.0 |
| 15 | Public Utility Tax | 39.4 | 46.2 | 17.4% | 46.2 | 17.4% | 0.0 | 48.3 | 4.5% | 48.3 | 4.5% | 0.0 |
| 16 | Cigarette Taxes | 88.5 | 87.0 | -1.7% | 86.5 | -2.3% | (0.5) | 88.9 | 2.2% | 88.4 | 2.2% | (0.5) |
| 17 | Other Revenues | 72.1 | 98.9 | 37.2% | 100.1 | 38.9% | 1.2 | 89.3 | -9.7% | 89.3 | -10.8% | 0.0 |
| 18 | Less: Other Refunds | <u>(21.0)</u> | <u>(18.9)</u> | -10.1% | <u>(20.0)</u> | -4.8% | <u>(1.1)</u> | <u>(22.9)</u> | 21.2% | <u>(21.6)</u> | 8.0% | 1.3 |
| | Net Receipts | 3,169.9 | 3,264.4 | 3.0% | 3,274.3 | 3.3% | 9.9 | 3,353.4 | 2.7% | 3,365.4 | 2.8% | 12.0 |

FY 2008 Debt Limit:

\$168.3

Table 2.

DEFAC Worksheet

| June-07 DEFAC Meeting | | FY 2009 | | | | |
|----------------------------------|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|---------------------------------------|
| | Revenue Category | L DEFAC May-07 | M % L over G | N DEFAC Jun-07 | O % N over I | P \$ Increase N over L |
| | Personal Income Tax | 1,300.9 | 5.9% | 1,300.4 | 5.9% | (0.5) |
| 1 | Less: Refunds | (184.7) | 5.0% | (180.9) | 5.0% | 3.8 |
| | PIT Less Refunds | 1,116.2 | 6.1% | 1,119.5 | 6.1% | 3.3 |
| | Franchise Tax | 566.8 | 3.0% | 570.7 | 3.0% | 3.9 |
| 2 | Less: Refunds | (11.0) | 0.0% | (11.0) | -8.3% | 0.0 |
| | Franchise Tax Less Refunds | 555.8 | 3.1% | 559.7 | 3.2% | 3.9 |
| 3 | Business Entity Fees | 69.4 | 3.9% | 69.5 | 4.0% | 0.1 |
| 4 | Limited Partnerships & LLC's | 113.5 | 11.9% | 119.8 | 12.0% | 6.3 |
| 4 | Uniform Commercial Code | 12.2 | -7.6% | 12.2 | -7.6% | 0.0 |
| | Corporation Income Tax | 190.0 | -2.5% | 186.0 | -2.5% | (4.0) |
| 5 | Less: Refunds | (35.0) | 0.0% | (35.0) | 0.0% | 0.0 |
| | CIT Less Refunds | 155.0 | -3.1% | 151.0 | -3.1% | (4.0) |
| 6 | Bank Franchise Tax | 156.9 | 1.4% | 156.9 | 1.4% | 0.0 |
| 7 | Gross Receipts Tax | 181.1 | 6.5% | 181.1 | 6.5% | 0.0 |
| 8 | Lottery | 272.0 | 3.0% | 270.5 | 2.9% | (1.5) |
| 9 | Abandoned Property | 380.0 | 4.1% | 380.0 | 3.0% | 0.0 |
| 10 | Hospital Board and Treatment | 78.0 | 9.9% | 78.0 | 9.9% | 0.0 |
| 11 | Dividends and Interest | 26.0 | 2.0% | 27.3 | 2.2% | 1.3 |
| 12 | Realty Transfer Tax | 93.0 | 3.9% | 93.0 | 3.9% | 0.0 |
| 13 | Estate Tax | 0.0 | Na | 0.0 | NA | 0.0 |
| 14 | Insurance Taxes | 82.2 | 6.6% | 82.2 | 6.6% | 0.0 |
| 15 | Public Utility Tax | 50.7 | 5.0% | 50.7 | 5.0% | 0.0 |
| 16 | Cigarette Taxes | 90.9 | 2.2% | 90.3 | 2.1% | (0.6) |
| 17 | Other Revenues | 92.4 | 3.5% | 92.5 | 3.6% | 0.1 |
| 18 | Less: Other Refunds | (22.9) | 0.0% | (22.9) | 6.0% | 0.0 |
| | Net Receipts | 3,502.4 | 4.4% | 3,511.3 | 4.3% | 8.9 |

Table 3.

Balance and Appropriations Worksheet

FY 2007 EXPENDITURES

| | |
|---|-----------------|
| Total Spending Authority | \$3,737.7 |
| Less: Continuing Appropriations & Encumbrances from FY 2007 | (\$301.2) |
| Less: Reversions | <u>(\$15.0)</u> |
| Total Expenditures | \$3,421.5 |

FY 2007 BALANCES

| | |
|---|------------------|
| Total Expenditures | \$3,421.5 |
| vs. FY 2007 Revenues | 3,274.3 |
| Operating Balance | (147.2) |
| Prior Year Cash Balance | <u>\$690.6</u> |
| Cumulative Cash Balance | 543.4 |
| Less: Continuing Appropriations & Encumbrances from FY 2007 | (301.2) |
| Less: Budgetary Reserve Account | <u>(\$175.4)</u> |
| Unencumbered Cash Balance 6/30 | \$66.8 |

FY 2008 APPROPRIATION LIMITS

| | | |
|--|------------------|------|
| FY 2008 Revenue Estimate | \$3,365.4 | |
| Unencumbered Cash Balance from FY 07 | <u>\$66.8</u> | |
| 100% Appropriation Limit | \$3,432.2 | |
| 98% Appropriation Limit | <u>\$3,363.5</u> | |
| Prior 98% Appropriation Limit | \$3,337.2 | |
| Increase (Decrease) from Prior Meeting | \$26.4 | 0.8% |
| Dec. 2006 98% Appropriation Limit | \$3,346.4 | |
| Increase (Decrease) from December 2006 | \$17.1 | 0.5% |

Table 4.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

| | | | | Fiscal 2007 | | | Fiscal 2008 | | |
|--|-----------------|-----------------|-----------------|-----------------------|---------------------|-----------------|-----------------------|---------------------|-----------------|
| | FY 05 Actual | FY 06 Actual | % Chg. FY 05 | 5/21/2007 Approved | 6/18/2007 Recomm | % Chg. FY 06 | 5/21/2007 Approved | 6/18/2007 Recomm | % Chg. FY 07 |
| <u>TOLL ROAD REVENUES:</u> | | | | | | | | | |
| I95 Newark Plaza | \$57.9 | \$85.0 | 46.8% | \$94.4 | \$94.4 | 11.0% | \$96.0 | \$96.0 | 1.8% |
| Route 1 Toll Road | 30.2 | 31.5 | 4.3% | \$32.4 | \$32.4 | 3.0% | \$33.7 | \$33.7 | 3.9% |
| Concessions | <u>2.8</u> | <u>2.7</u> | <u>-3.6%</u> | <u>\$2.7</u> | <u>\$2.7</u> | <u>0.0%</u> | <u>\$2.7</u> | <u>\$2.7</u> | <u>0.0%</u> |
| Total Toll Road Revenues | 90.9 | 119.2 | 31.1% | \$129.5 | \$129.5 | 8.6% | \$132.4 | \$132.4 | 2.3% |
| <u>MOTOR FUEL TAX ADMIN.</u> | | | | | | | | | |
| Motor Fuel Tax | 113.7 | 120.1 | 5.6% | \$116.2 | \$116.2 | -3.2% | \$118.5 | \$118.5 | 2.0% |
| Motor Carrier Fees | <u>4.2</u> | <u>3.6</u> | <u>-14.3%</u> | <u>\$3.5</u> | <u>\$3.5</u> | <u>-3.4%</u> | <u>\$3.9</u> | <u>\$3.9</u> | <u>12.1%</u> |
| Total MFTA Revenues | 117.9 | 123.7 | 4.9% | \$119.7 | \$119.7 | -3.2% | \$122.4 | \$122.4 | 2.3% |
| <u>DIVISION OF MOTOR VEHICLES</u> | | | | | | | | | |
| Motor Vehicle Document Fees | 65.7 | 64.9 | -1.2% | \$62.9 | \$62.9 | -3.0% | \$64.1 | \$64.1 | 2.0% |
| Motor Vehicle Registration Fees | 30.2 | 30.2 | 0.0% | \$31.2 | \$31.2 | 3.3% | \$32.1 | \$32.1 | 3.0% |
| Other DMV Revenues | <u>20.3</u> | <u>20.3</u> | <u>0.0%</u> | <u>\$20.5</u> | <u>\$20.5</u> | <u>0.8%</u> | <u>\$21.1</u> | <u>\$21.1</u> | <u>3.0%</u> |
| Total DMV Revenues | <u>116.2</u> | <u>115.4</u> | <u>-0.7%</u> | <u>\$114.6</u> | <u>\$114.6</u> | <u>-0.7%</u> | <u>\$117.4</u> | <u>\$117.4</u> | <u>2.4%</u> |
| <u>OTHER TRANSPORTATION REV.</u> | | | | | | | | | |
| Other Transportation Rev | 7.6 | 13.0 | 71.1% | \$15.7 | \$15.7 | 20.8% | \$10.2 | \$10.2 | -35.0% |
| Investment Income(Net) | <u>5.2</u> | <u>7.9</u> | <u>51.9%</u> | <u>\$12.4</u> | <u>\$12.4</u> | <u>57.0%</u> | <u>\$10.5</u> | <u>\$10.5</u> | <u>-15.3%</u> |
| Total Other Transp. Revenue | <u>12.8</u> | <u>20.9</u> | <u>63.3%</u> | <u>\$28.1</u> | <u>\$28.1</u> | <u>34.4%</u> | <u>\$20.7</u> | <u>\$20.7</u> | <u>-26.3%</u> |
| GRAND TOTAL | <u>\$337.8</u> | <u>\$379.2</u> | <u>12.3%</u> | <u>\$391.9</u> | <u>\$391.9</u> | <u>3.3%</u> | <u>\$392.9</u> | <u>\$392.9</u> | <u>0.3%</u> |

Totals may not add due to rounding

Table 5.

Delaware Department of Transportation
FY 2007 EXPENDITURES **July - May 2007**

(\$ in millions)

92%

| | FY2004 | FY2005 | FY2006 | FY2007 | March | April | May | June | | FY2007 | % spent |
|--------------------------------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|---------------|-------------|---------|
| | Actual | Actual | Actual | Appropriation | FY2007 | FY2007 | FY2007 | FY2007 | \$ difference | YTD | YTD |
| Operations | | | | | | | | | | | |
| Debt Service | 95.0 | 99.2 | 146.2 | 116.9 | 115.1 | 115.1 | 115.1 | 115.1 | 0.0 | 105.2 | 91.4% |
| Personnel Costs | 75.2 | 81.2 | 87.1 | 105.0 | 104.0 | 104.0 | 104.0 | 103.8 | (0.20) | 93.6 | 90.2% |
| Operations/Capital Outlay | 46.3 | 52.8 | 42.7 | 51.9 | 55.1 | 55.1 | 55.1 | 53.1 | (2.0) | 43.0 | 81.0% |
| Transit Operations | <u>64.9</u> | <u>70.4</u> | <u>74.3</u> | <u>79.3</u> | <u>79.3</u> | <u>79.3</u> | <u>79.3</u> | <u>79.3</u> | <u>0.0</u> | <u>73.9</u> | 93.2% |
| Total Expenditures - Operations | 281.4 | 303.6 | 350.3 | 353.1 | 353.5 | 353.5 | 353.5 | 351.3 | (2.2) | 315.7 | 89.9% |
| Capital (State) | | | | | | | | | | | |
| Road System | 124.9 | 186.5 | 211.8 | 185.6 | 148.6 | 132.9 | 114.0 | 114.0 | 0.0 | 107.6 | 94.4% |
| Grants & Allocations | 19.0 | 25.1 | 23.9 | 64.4 | 64.4 | 64.4 | 31.5 | 31.5 | 0.0 | 29.3 | 93.0% |
| Support Systems | 45.7 | 53.3 | 26.7 | 28.6 | 21.6 | 17.3 | 26.0 | 26.0 | 0.0 | 23.1 | 88.8% |
| Transit | <u>15.9</u> | <u>14.8</u> | <u>4.1</u> | <u>3.7</u> | <u>3.7</u> | <u>3.7</u> | <u>3.7</u> | <u>3.7</u> | <u>0.0</u> | <u>3.1</u> | 83.8% |
| Total Expenditures- State Capital | 205.5 | 279.7 | 266.5 | 282.3 | 238.3 | 218.3 | 175.2 | 175.2 | 0.0 | 163.1 | 93.1% |
| Capital (Federal) | | | | | | | | | | | |
| Road System | 84.4 | 94.0 | 101.3 | 233.8 | 133.9 | 126.7 | 84.3 | 84.3 | 0.0 | 69.0 | 81.9% |
| Grants & Allocations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Support Systems | 0.1 | 0.3 | 0.2 | 17.3 | 11.2 | 11.2 | 12.9 | 12.9 | 0.0 | 7.1 | 55.0% |
| Transit | <u>4</u> | <u>6.7</u> | <u>8.4</u> | <u>11.7</u> | <u>8.2</u> | <u>8.2</u> | <u>8.1</u> | <u>11.7</u> | <u>3.6</u> | <u>11.4</u> | 97.4% |
| Total Expenditures - Federal Capital | 88.5 | 101 | 109.9 | 262.8 | 153.3 | 146.1 | 105.3 | 108.9 | 3.6 | 87.5 | 80.3% |
| Total Expenditures - Capital | 294.0 | 380.7 | 376.4 | 545.1 | 391.6 | 364.4 | 280.5 | 284.1 | 3.6 | 250.6 | 88.2% |
| TOTAL EXPENDITURES | 575.4 | 684.3 | 726.7 | 898.2 | 745.1 | 717.9 | 634.0 | 635.4 | 1.4 | 566.3 | 89.1% |